

Calendar No. 621

107TH CONGRESS
2D SESSION

S. 1806

To amend the Public Health Service Act with respect to health professions programs regarding the practice of pharmacy.

IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 2001

Mr. REED (for himself, Mr. ENZI, Mr. JOHNSON, Mr. CHAFEE, Mr. GRAHAM, Ms. COLLINS, Ms. LANDRIEU, Mr. HUTCHINSON, Mr. INOUE, Mr. COCHRAN, Mr. WELLSTONE, Mr. WARNER, Ms. MIKULSKI, and Mr. TORRICELLI) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

SEPTEMBER 30, 2002

Reported by Mr. KENNEDY, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To amend the Public Health Service Act with respect to health professions programs regarding the practice of pharmacy.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Pharmacy Education
5 Aid Act of 2001”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) Pharmacists are an important link in our
4 Nation's health care system. A critical shortage of
5 pharmacists is threatening the ability of pharmacies
6 to continue to provide important prescription related
7 services.

8 (2) In the landmark report entitled "To Err is
9 Human: Building a Safer Health System", the Insti-
10 tute of Medicine reported that medication errors can
11 be partially attributed to factors that are indicative
12 of a shortage of pharmacists (such as too many cus-
13 tomers, numerous distractions, and staff shortages).

14 (3) Congress acknowledged in the Healthcare
15 Research and Quality Act of 1999 (Public Law 106-
16 129) a growing demand for pharmacists by requiring
17 the Secretary of Health and Human Services to con-
18 duct a study to determine whether there is a short-
19 age of pharmacists in the United States and, if so,
20 to what extent.

21 (4) As a result of Congress' concern about how
22 a shortage of pharmacists would impact the public
23 health, the Secretary of Health and Human Services
24 published a report entitled "The Pharmacist Work-
25 force: A Study in Supply and Demand for Phar-
26 macists" in December of 2000.

1 (5) “The Pharmacist Workforce: A Study in
2 Supply and Demand for Pharmacists” found that
3 “While the overall supply of pharmacists has in-
4 creased in the past decade, there has been an un-
5 precedented demand for pharmacists and for phar-
6 maceutical care services, which has not been met by
7 the currently available supply” and that the “evi-
8 dence clearly indicates the emergence of a shortage
9 of pharmacists over the past two years”.

10 (6) The same study also found that “The fac-
11 tors causing the current shortage are of a nature not
12 likely to abate in the near future without funda-
13 mental changes in pharmacy practice and edu-
14 cation.” The study projects that the number of pre-
15 scriptions filled by community pharmacists will in-
16 crease by 20 percent by 2004. In contrast, the num-
17 ber of community pharmacists is expected to in-
18 crease by only 6 percent by 2005.

19 (7) The demand for pharmacists will increase
20 as prescription drug use continues to grow.

1 **SEC. 3. INCLUSION OF PRACTICE OF PHARMACY IN PRO-**
 2 **GRAM FOR NATIONAL HEALTH SERVICE**
 3 **CORPS.**

4 (a) INCLUSION IN CORPS MISSION.—Section
 5 ~~331(a)(3)~~ of the Public Health Service Act (42 U.S.C.
 6 ~~254d(a)(3)~~) is amended—

7 (1) in subparagraph (D), by adding at the end
 8 the following: “Such term includes pharmacist serv-
 9 ices.”; and

10 (2) by adding at the end the following:

11 “(E)(i) The term ‘pharmacist services’ in-
 12 cludes drug therapy management services fur-
 13 nished by a pharmacist, individually or on be-
 14 half of a pharmacy provider, and such services
 15 and supplies furnished incident to the phar-
 16 macist’s drug therapy management services,
 17 that the pharmacist is legally authorized to per-
 18 form (in the State in which the individual per-
 19 forms such services) in accordance with State
 20 law (or the State regulatory mechanism pro-
 21 vided for by State law).”.

22 (b) SCHOLARSHIP PROGRAM.—Section ~~338A~~ of the
 23 Public Health Service Act (42 U.S.C. ~~254l~~) is amended—

24 (1) in subsection (a)(1), by inserting “phar-
 25 macists,” after “physicians,”; and

1 (2) in subsection (b)(1), by inserting “phar-
2 macys” after “dentistry,”.

3 (c) LOAN REPAYMENT PROGRAM.—Section 338B of
4 the Public Health Service Act (42 U.S.C. 254l-1) is
5 amended—

6 (1) in subsection (a)(1), by inserting “phar-
7 macists,” after “physicians,”; and

8 (2) in subsection (b)(1), by inserting “phar-
9 macys,” after “dentistry,”.

10 (d) FUNDING.—Section 338H(b)(2) of the Public
11 Health Service Act (42 U.S.C. 254q(b)(2)) is amended in
12 subparagraph (A), by inserting before the period the fol-
13 lowing: “, which may include such contracts for individuals
14 who are in a course of study or program leading to a phar-
15 macy degree”.

16 **SEC. 4. CERTAIN HEALTH PROFESSIONS PROGRAMS RE-**
17 **GARDING PRACTICE OF PHARMACY.**

18 (a) IN GENERAL.—Part E of title VII of the Public
19 Health Service Act (42 U.S.C. 294n et seq.) is amended—

20 (1) by redesignating section 770 as section 771;
21 and

22 (2) by adding at the end the following subpart:

1 **“Subpart 3—Certain Workforce Programs**

2 **“SEC. 771. PRACTICING PHARMACIST WORKFORCE.**

3 ~~“(a) RECRUITING AND RETAINING STUDENTS AND~~
4 ~~FACULTY.—~~

5 ~~“(1) IN GENERAL.—The Secretary may make~~
6 ~~awards of grants or contracts to qualifying schools~~
7 ~~of pharmacy (as defined in subsection (f)) for the~~
8 ~~purpose of carrying out programs for recruiting and~~
9 ~~retaining students and faculty for such schools, in-~~
10 ~~cluding programs to provide scholarships for attend-~~
11 ~~ance at such schools to full-time students who have~~
12 ~~financial need for the scholarships and who dem-~~
13 ~~onstrate a commitment to becoming practicing phar-~~
14 ~~macists or faculty.~~

15 ~~“(2) PREFERENCE IN PROVIDING SCHOLAR-~~
16 ~~SHIPS.—An award may not be made under para-~~
17 ~~graph (1) unless the qualifying school of pharmacy~~
18 ~~involved agrees that, in providing scholarships pur-~~
19 ~~suant to the award, the school will give preference~~
20 ~~to students for whom the costs of attending the~~
21 ~~school would constitute a severe financial hardship.~~

22 ~~“(b) LOAN REPAYMENT PROGRAM REGARDING FAC-~~
23 ~~ULTY POSITIONS.—~~

24 ~~“(1) IN GENERAL.—The Secretary may estab-~~
25 ~~lish a program of entering into contracts with indi-~~
26 ~~viduals described in paragraph (2) under which the~~

1 individuals agree to serve as members of the fac-
2 ulties of qualifying schools of pharmacy in consider-
3 ation of the Federal Government agreeing to pay,
4 for each year of such service, not more than \$20,000
5 of the principal and interest of the educational loans
6 of such individuals.

7 “(2) ELIGIBLE INDIVIDUALS.—The individuals
8 referred to in paragraph (1) are individuals who—

9 “(A) have a doctoral degree in pharmacy
10 or the pharmaceutical sciences; or

11 “(B) are enrolled in a school of pharmacy
12 and are in the final academic year of such
13 school in a program leading to such a doctoral
14 degree.

15 “(3) REQUIREMENTS REGARDING FACULTY PO-
16 SITIONS.—The Secretary may not enter into a con-
17 tract under paragraph (1) unless—

18 “(A) the individual involved has entered
19 into a contract with a qualifying school of phar-
20 macy to serve as a member of the faculty of the
21 school for not less than 2 years;

22 “(B) the contract referred to in subpara-
23 graph (A) provides that, in serving as a mem-
24 ber of the faculty pursuant to such subpara-
25 graph, the individual will—

1 “(i) serve full time; or

2 “(ii) serve as a member of the adjunct
3 clinical faculty and in so serving will ac-
4 tively supervise pharmacy students for 25
5 academic weeks per year (or such greater
6 number of academic weeks as may be spec-
7 ified in the contract); and

8 “(C) such contract provides that—

9 “(i) the school will, for each year for
10 which the individual will serve as a mem-
11 ber of the faculty under the contract with
12 the school, make payments of the principal
13 and interest due on the educational loans
14 of the individual for such year in an
15 amount equal to the amount of such pay-
16 ments made by the Secretary for the year;

17 “(ii) the payments made by the school
18 pursuant to clause (i) on behalf of the indi-
19 vidual will be in addition to the pay that
20 the individual would otherwise receive for
21 serving as a member of such faculty; and

22 “(iii) the school, in making a deter-
23 mination of the amount of compensation to
24 be provided by the school to the individual
25 for serving as a member of the faculty, will

1 make the determination without regard to
2 the amount of payments made (or to be
3 made) to the individual by the Federal
4 Government under paragraph (1).

5 “(4) APPLICABILITY OF CERTAIN PROVI-
6 SIONS.—The provisions of sections 338C, 338G, and
7 338I shall apply to the program established in para-
8 graph (1) to the same extent and in the same man-
9 ner as such provisions apply to the National Health
10 Service Corps Loan Repayment Program established
11 in subpart III of part D of title III, including the
12 applicability of provisions regarding reimbursements
13 for increased tax liability and provisions regarding
14 bankruptcy.

15 “(5) WAIVER REGARDING SCHOOL CONTRIBU-
16 TIONS.—The Secretary may waive the requirement
17 established in paragraph (3)(C) if the Secretary de-
18 termines that the requirement will impose an undue
19 financial hardship on the school involved.

20 “(e) INFORMATION TECHNOLOGY.—The Secretary
21 may make awards of grants or contracts to qualifying
22 schools of pharmacy for the purpose of assisting such
23 schools in acquiring and installing computer-based sys-
24 tems to provide pharmaceutical education. Education pro-
25 vided through such systems may be graduate education;

1 professional education, or continuing education. The com-
 2 puter-based systems may be designed to provide on-site
 3 education, or education at remote sites (commonly re-
 4 ferred to as distance learning), or both.

5 “(d) FACILITIES.—The Secretary may award grants
 6 under section 1610 for construction projects to expand,
 7 remodel, renovate, or alter existing facilities for qualifying
 8 schools of pharmacy or to provide new facilities for the
 9 schools.

10 “(e) REQUIREMENT REGARDING EDUCATION IN
 11 PRACTICE OF PHARMACY.—With respect to the qualifying
 12 school of pharmacy involved, the Secretary shall ensure
 13 that programs and activities carried out with Federal
 14 funds provided under this section have the goal of edu-
 15 cating students to become licensed pharmacists, or the
 16 goal of providing for faculty to recruit, retain, and educate
 17 students to become licensed pharmacists.

18 “(f) QUALIFYING SCHOOL OF PHARMACY.—For pur-
 19 poses of this section, the term ‘qualifying school of phar-
 20 macy’ means a college or school of pharmacy (as defined
 21 in section 799B) that, in providing clinical experience for
 22 students, requires that the students serve in a clinical ro-
 23 tation in which pharmacist services (as defined in section
 24 331(a)(3)(E)) are provided at or for—

1 “(1) a medical facility that serves a substantial
2 number of individuals who reside in or are members
3 of a medically underserved community (as so de-
4 fined);

5 “(2) an entity described in any of subpara-
6 graphs (A) through (L) of section 340B(a)(4) (relat-
7 ing to the definition of covered entity);

8 “(3) a health care facility of the Department of
9 Veterans Affairs or of any of the Armed Forces of
10 the United States;

11 “(4) a health care facility of the Bureau of
12 Prisons;

13 “(5) a health care facility operated by, or with
14 funds received from, the Indian Health Service; or

15 “(6) a disproportionate share hospital under
16 section 1923 of the Social Security Act.

17 “(g) AUTHORIZATION OF APPROPRIATIONS.—For the
18 purpose of carrying out this section, there are authorized
19 to be appropriated such sums as may be necessary for
20 each of the fiscal years 2002 through 2006.”.

21 (b) TECHNICAL AND CONFORM AMENDMENTS.—Sec-
22 tion 1610(a) of the Public Health Service Act (42 U.S.C.
23 300r(a)) is amended—

24 (1) in paragraph (1)—

25 (A) in subparagraph (A)—

1 (i) in clause (i), by striking “or” at
2 the end thereof;

3 (ii) in clause (ii), by striking the pe-
4 riod and inserting “; or”; and

5 (iii) by adding at the end the fol-
6 lowing:

7 “(iii) expand, remodel, renovate, or alter exist-
8 ing facilities for qualifying schools of pharmacy or to
9 provide new facilities for the schools in accordance
10 with section 771(d).”;

11 (B) in subparagraph (B)—

12 (i) in clause (i), by striking “and” at
13 the end thereof;

14 (ii) in clause (ii)(II), by striking the
15 period and inserting “; or”; and

16 (iii) by adding at the end the fol-
17 lowing:

18 “(iii) a qualifying school of pharmacy (as de-
19 fined in section 771(f)).”;

20 (2) by striking the first sentence of paragraph
21 (3) and inserting the following: “There are author-
22 ized to be appropriated for grants under paragraph
23 (1)(A)(iii), such sums as may be necessary.”; and

24 (3) by adding at the end the following:

1 “(4) RECAPTURE OF PAYMENTS.—If, during
 2 the 20-year period beginning on the date of the com-
 3 pletion of construction pursuant to a grant under
 4 paragraph (1)(A)(iii)—

5 “(A) the school of pharmacy involved, or
 6 other owner of the facility, ceases to be a public
 7 or nonprofit private entity; or

8 “(B) the facility involved ceases to be used
 9 for the purposes for which it was constructed
 10 (unless the Secretary determines, in accordance
 11 with regulations, that there is good cause for
 12 releasing the school or other owner from such
 13 obligation);

14 the United States is entitled to recover from the
 15 school or other owner of the facility the amount
 16 bearing the same ratio to the current value (as de-
 17 termined by an agreement between the parties or by
 18 action brought in the United States District Court
 19 for the district in which such facility is situated) of
 20 the facility as the amount of the Federal participa-
 21 tion bore to the cost of the construction of such fa-
 22 cility.”.

23 **SECTION 1. SHORT TITLE.**

24 *This Act may be cited as the “Pharmacy Education*
 25 *Aid Act of 2002”.*

1 **SEC. 2. FINDINGS.**

2 *Congress makes the following findings:*

3 *(1) Pharmacists are an important link in our*
4 *Nation's health care system. A critical shortage of*
5 *pharmacists is threatening the ability of pharmacies*
6 *to continue to provide important prescription related*
7 *services.*

8 *(2) In the landmark report entitled "To Err is*
9 *Human: Building a Safer Health System", the Insti-*
10 *tute of Medicine reported that medication errors can*
11 *be partially attributed to factors that are indicative*
12 *of a shortage of pharmacists (such as too many cus-*
13 *tomers, numerous distractions, and staff shortages).*

14 *(3) Congress acknowledged in the Healthcare Re-*
15 *search and Quality Act of 1999 (Public Law 106-*
16 *129) a growing demand for pharmacists by requiring*
17 *the Secretary of Health and Human Services to con-*
18 *duct a study to determine whether there is a shortage*
19 *of pharmacists in the United States and, if so, to*
20 *what extent.*

21 *(4) As a result of Congress' concern about how*
22 *a shortage of pharmacists would impact the public*
23 *health, the Secretary of Health and Human Services*
24 *published a report entitled "The Pharmacist Work-*
25 *force: A Study in Supply and Demand for Phar-*
26 *macists" in December of 2000.*

1 (5) *“The Pharmacist Workforce: A Study in*
 2 *Supply and Demand for Pharmacists” found that*
 3 *“While the overall supply of pharmacists has in-*
 4 *creased in the past decade, there has been an unprece-*
 5 *dedented demand for pharmacists and for pharma-*
 6 *ceutical care services, which has not been met by the*
 7 *currently available supply” and that the “evidence*
 8 *clearly indicates the emergence of a shortage of phar-*
 9 *macists over the past two years”.*

10 (6) *The same study also found that “The factors*
 11 *causing the current shortage are of a nature not likely*
 12 *to abate in the near future without fundamental*
 13 *changes in pharmacy practice and education.” The*
 14 *study projects that the number of prescriptions filled*
 15 *by community pharmacists will increase by 20 per-*
 16 *cent by 2004. In contrast, the number of community*
 17 *pharmacists is expected to increase by only 6 percent*
 18 *by 2005.*

19 (7) *The demand for pharmacists will increase as*
 20 *prescription drug use continues to grow.*

21 **SEC. 3. HEALTH PROFESSIONS PROGRAM RELATED TO THE**
 22 **PRACTICE OF PHARMACY.**

23 (a) *IN GENERAL.*—*Part E of title VII of the Public*
 24 *Health Service Act (42 U.S.C. 294n et seq.) is amended by*
 25 *adding at the end the following:*

1 **“Subpart 3—Pharmacy Workforce Development**

2 **“SEC. 781. LOAN REPAYMENT PROGRAM.**

3 “(a) *IN GENERAL.*—*In the case of any individual—*

4 “(1) *who has received a baccalaureate degree in*
5 *pharmacy or a Doctor of Pharmacy degree from an*
6 *accredited program; and*

7 “(2) *who obtained an educational loan for phar-*
8 *macy education costs;*

9 *the Secretary may enter into an agreement with such indi-*
10 *vidual who agrees to serve as a full-time pharmacist for*
11 *a period of not less than 2 years at a health care facility*
12 *with a critical shortage of pharmacists, to make payments*
13 *in accordance with subsection (b), for and on behalf of that*
14 *individual, on the principal of and interest on any loan*
15 *of that individual described in paragraph (2) which is out-*
16 *standing on the date the individual begins such service.*

17 “(b) *MANNER OF PAYMENTS.*—

18 “(1) *IN GENERAL.*—*The payments described in*
19 *subsection (a) may consist of payment, in accordance*
20 *with paragraph (2), on behalf of the individual of the*
21 *principal, interest, and related expenses on govern-*
22 *ment and commercial loans received by the individual*
23 *regarding the undergraduate or graduate education of*
24 *the individual (or both), which loans were made for—*

25 “(A) *tuition expenses;*

1 “(B) all other reasonable educational ex-
 2 penses, including fees, books, and laboratory ex-
 3 penses, incurred by the individual; or

4 “(C) reasonable living expenses as deter-
 5 mined by the Secretary.

6 “(2) PAYMENTS FOR YEARS SERVED.—

7 “(A) IN GENERAL.—For each year of obli-
 8 gated service that an individual contracts to
 9 serve under subsection (a)(3) the Secretary may
 10 pay up to \$35,000 on behalf of the individual for
 11 loans described in paragraph (1). In making a
 12 determination of the amount to pay for a year
 13 of such service by an individual, the Secretary
 14 shall consider the extent to which each such de-
 15 termination—

16 “(i) affects the ability of the Secretary
 17 to maximize the number of agreements that
 18 may be provided under this section from the
 19 amounts appropriated for such agreements;

20 “(ii) provides an incentive to serve in
 21 areas with the greatest shortages of phar-
 22 macists; and

23 “(iii) provides an incentive with re-
 24 spect to the pharmacist involved remaining
 25 in the area and continuing to provide phar-

1 *macy services after the completion of the pe-*
 2 *riod of obligated service under agreement.*

3 “(B) *REPAYMENT SCHEDULE.*—*Any ar-*
 4 *rangement made by the Secretary for the making*
 5 *of loan repayments in accordance with this sub-*
 6 *section shall provide that any repayments for a*
 7 *year of obligated service shall be made not later*
 8 *than the end of the fiscal year in which the indi-*
 9 *vidual completes such year of service.*

10 “(3) *TAX LIABILITY.*—*For the purpose of pro-*
 11 *viding reimbursements for tax liability resulting from*
 12 *payments under paragraph (2) on behalf of an indi-*
 13 *vidual—*

14 “(A) *the Secretary shall, in addition to such*
 15 *payments, make payments to the individual in*
 16 *an amount equal to 39 percent of the total*
 17 *amount of loan repayments made for the taxable*
 18 *year involved; and*

19 “(B) *may make such additional payments*
 20 *as the Secretary determines to be appropriate*
 21 *with respect to such purpose.*

22 “(4) *PAYMENT SCHEDULE.*—*The Secretary may*
 23 *enter into an agreement with the holder of any loan*
 24 *for which payments are made under this section to es-*
 25 *tablish a schedule for the making of such payments.*

1 “(c) *PREFERENCES.*—*In entering into agreements*
 2 *under subsection (a), the Secretary shall give preference to*
 3 *qualified applicants with the greatest financial need.*

4 “(d) *REPORTS.*—

5 “(1) *ANNUAL REPORT.*—*Not later than 18*
 6 *months after the date of enactment of the Pharmacy*
 7 *Education Aid Act, and annually thereafter, the Sec-*
 8 *retary shall prepare and submit to Congress a report*
 9 *describing the program carried out under this section,*
 10 *including statements regarding—*

11 “(A) *the number of enrollees, loan repay-*
 12 *ments, and recipients;*

13 “(B) *the number of graduates;*

14 “(C) *the amount of loan repayments made;*

15 “(D) *which educational institution the re-*
 16 *cipients attended;*

17 “(E) *the number and placement location of*
 18 *the loan repayment recipients at health care fa-*
 19 *cilities with a critical shortage of pharmacists;*

20 “(F) *the default rate and actions required;*

21 “(G) *the amount of outstanding default*
 22 *funds of the loan repayment program;*

23 “(H) *to the extent that it can be deter-*
 24 *mined, the reason for the default;*

1 “(I) the demographics of the individuals
 2 participating in the loan repayment program;
 3 and

4 “(J) an evaluation of the overall costs and
 5 benefits of the program.

6 “(2) 5-YEAR REPORT.—Not later than 5 years
 7 after the date of enactment of the Pharmacy Edu-
 8 cation Aid Act, the Secretary shall prepare and sub-
 9 mit to Congress a report on how the program carried
 10 out under this section interacts with other Federal
 11 loan repayment programs for pharmacists and deter-
 12 mining the relative effectiveness of such programs in
 13 increasing pharmacists practicing in areas with a
 14 critical shortage or pharmacists.

15 “(e) BREACH OF AGREEMENT.—

16 “(1) IN GENERAL.—In the case of any program
 17 under this section under which an individual makes
 18 an agreement to provide health services for a period
 19 of time in accordance with such program in consider-
 20 ation of receiving an award of Federal funds regard-
 21 ing education as a pharmacists (including an award
 22 for the repayment of loans), the following applies if
 23 the agreement provides that this subsection is applica-
 24 ble:

1 “(A) *In the case of a program under this*
2 *section that makes an award of Federal funds for*
3 *attending an accredited program of pharmacy*
4 *(in this section referred to as a ‘pharmacy pro-*
5 *gram’), the individual is liable to the Federal*
6 *Government for the amount of such award (in-*
7 *cluding amounts provided for expenses related to*
8 *such attendance), and for interest on such*
9 *amount at the maximum legal prevailing rate, if*
10 *the individual—*

11 “(i) *fails to maintain an acceptable*
12 *level of academic standing in the pharmacy*
13 *program (as indicated by the program in*
14 *accordance with requirements established by*
15 *the Secretary);*

16 “(ii) *is dismissed from the pharmacy*
17 *program for disciplinary reasons; or*

18 “(iii) *voluntarily terminates the phar-*
19 *macy program.*

20 “(B) *The individual is liable to the Federal*
21 *Government for the amount of such award (in-*
22 *cluding amounts provided for expenses related to*
23 *such attendance), and for interest on such*
24 *amount at the maximum legal prevailing rate, if*
25 *the individual fails to provide health services in*

1 *accordance with the program under this section*
2 *for the period of time applicable under the pro-*
3 *gram.*

4 “(2) *WAIVER OR SUSPENSION OF LIABILITY.*—*In*
5 *the case of an individual or health facility making an*
6 *agreement for purposes of paragraph (1), the Sec-*
7 *retary shall provide for the waiver or suspension of*
8 *liability under such subsection if compliance by the*
9 *individual or the health facility, as the case may be,*
10 *with the agreements involved is impossible, or would*
11 *involve extreme hardship to the individual or facility,*
12 *and if enforcement of the agreements with respect to*
13 *the individual or facility would be unconscionable.*

14 “(3) *DATE CERTAIN FOR RECOVERY.*—*Subject to*
15 *paragraph (2), any amount that the Federal Govern-*
16 *ment is entitled to recover under paragraph (1) shall*
17 *be paid to the United States not later than the expi-*
18 *ration of the 3-year period beginning on the date the*
19 *United States becomes so entitled.*

20 “(4) *AVAILABILITY.*—*Amounts recovered under*
21 *paragraph (1) with respect to a program under this*
22 *section shall be available for the purposes of such pro-*
23 *gram, and shall remain available for such purposes*
24 *until expended.*

1 “(f) *DEFINITION.*—*In this section, the term ‘health*
 2 *care facility’ means an Indian Health Service health center,*
 3 *a Native Hawaiian health center, a hospital, a pharmacy,*
 4 *a Federal qualified health center, a rural health clinic, a*
 5 *nursing home, a home health agency, a hospice program,*
 6 *a public health clinic, a State or local department of public*
 7 *health, a skilled nursing facility, an ambulatory surgical*
 8 *center, or any other facility determined appropriate by the*
 9 *Secretary.*

10 “(g) *AUTHORIZATION OF APPROPRIATIONS.*—*For the*
 11 *purpose of payments under agreements entered into under*
 12 *subsection (a), there are authorized to be appropriated such*
 13 *sums as may be necessary for each of fiscal years 2003*
 14 *through 2007.*

15 **“SEC. 782. PHARMACIST FACULTY LOAN PROGRAM.**

16 “(a) *ESTABLISHMENT.*—*The Secretary, acting through*
 17 *the Administrator of the Health Resources and Services Ad-*
 18 *ministration, may enter into an agreement with any school*
 19 *of pharmacy for the establishment and operation of a stu-*
 20 *dent loan fund in accordance with this section, to increase*
 21 *the number of qualified pharmacy faculty.*

22 “(b) *AGREEMENTS.*—*Each agreement entered into*
 23 *under subsection (a) shall—*

24 “(1) *provide for the establishment of a student*
 25 *loan fund by the school involved;*

1 “(2) provide for deposit in the fund of—

2 “(A) the Federal capital contributions to the
3 fund;

4 “(B) an amount equal to not less than one-
5 ninth of such Federal capital contributions, con-
6 tributed by such school;

7 “(C) collections of principal and interest on
8 loans made from the fund; and

9 “(D) any other earnings of the fund;

10 “(3) provide that the fund will be used only for
11 loans to students of the school in accordance with sub-
12 section (c) and for costs of collection of such loans and
13 interest thereon;

14 “(4) provide that loans may be made from such
15 fund only to students pursuing a full-time course of
16 study or, at the discretion of the Secretary, a part-
17 time course of study; and

18 “(5) contain such other provisions as are nec-
19 essary to protect the financial interests of the United
20 States.

21 “(c) LOAN PROVISIONS.—Loans from any student loan
22 fund established by a school pursuant to an agreement
23 under subsection (a) shall be made to an individual on such
24 terms and conditions as the school may determine, except
25 that—

1 “(1) such terms and conditions are subject to
2 any conditions, limitations, and requirements pre-
3 scribed by the Secretary;

4 “(2) in the case of any individual, the total of
5 the loans for any academic year made by schools of
6 pharmacy from loan funds established pursuant to
7 agreements under subsection (a) may not exceed
8 \$30,000, plus any amount determined by the Sec-
9 retary on an annual basis to reflect inflation;

10 “(3) an amount up to 85 percent of any such
11 loan (plus interest thereon) shall be canceled by the
12 school as follows:

13 “(A) upon completion by the individual of
14 each of the first, second, and third year of full-
15 time employment, required by the loan agree-
16 ment entered into under this subsection, as a fac-
17 ulty member in a school of pharmacy, the school
18 shall cancel 20 percent of the principle of, and
19 the interest on, the amount of such loan unpaid
20 on the first day of such employment; and

21 “(B) upon completion by the individual of
22 the fourth year of full-time employment, required
23 by the loan agreement entered into under this
24 subsection, as a faculty member in a school of
25 pharmacy, the school shall cancel 25 percent of

1 *the principle of, and the interest on, the amount*
2 *of such loan unpaid on the first day of such em-*
3 *ployment;*

4 “(4) *such a loan may be used to pay the cost of*
5 *tuition, fees, books, laboratory expenses, and other*
6 *reasonable education expenses;*

7 “(5) *such a loan shall be repayable in equal or*
8 *graduated periodic installments (with the right of the*
9 *borrower to accelerate repayment) over the 10-year*
10 *period that begins 9 months after the individual*
11 *ceases to pursue a course of study at a school of phar-*
12 *macy; and*

13 “(6) *such a loan shall—*

14 “(A) *beginning on the date that is 3 months*
15 *after the individual ceases to pursue a course of*
16 *study at a school of pharmacy, bear interest on*
17 *the unpaid balance of the loan at the rate of 3*
18 *percent per annum; or*

19 “(B) *subject to subsection (e), if the school*
20 *of pharmacy determines that the individual will*
21 *not complete such course of study or serve as a*
22 *faculty member as required under the loan agree-*
23 *ment under this subsection, bear interest on the*
24 *unpaid balance of the loan at the prevailing*
25 *market rate.*

1 “(d) *PAYMENT OF PROPORTIONATE SHARE.*—Where
 2 *all or any part of a loan, or interest, is canceled under*
 3 *this section, the Secretary shall pay to the school an amount*
 4 *equal to the school’s proportionate share of the canceled por-*
 5 *tion, as determined by the Secretary.*

6 “(e) *REVIEW BY SECRETARY.*—*At the request of the in-*
 7 *dividual involved, the Secretary may review any deter-*
 8 *mination by a school of pharmacy under subsection*
 9 *(c)(6)(B).*

10 “(f) *INFORMATION TECHNOLOGY.*—*The Secretary may*
 11 *make awards of grants or contracts to qualifying schools*
 12 *of pharmacy for the purpose of assisting such schools in*
 13 *acquiring and installing computer-based systems to provide*
 14 *pharmaceutical education. Education provided through*
 15 *such systems may be graduate education, professional edu-*
 16 *cation, or continuing education. The computer-based sys-*
 17 *tems may be designed to provide on-site education, or edu-*
 18 *cation at remote sites (commonly referred to as distance*
 19 *learning), or both.*

20 “(g) *REQUIREMENT REGARDING EDUCATION IN PRAC-*
 21 *TICE OF PHARMACY.*—*With respect to the school of phar-*
 22 *macy involved, the Secretary shall ensure that programs*
 23 *and activities carried out with Federal funds provided*
 24 *under this section have the goal of educating students to*
 25 *become licensed pharmacists, or the goal of providing for*

1 *faculty to recruit, retain, and educate students to become*
 2 *licensed pharmacists.*

3 “(h) *DEFINITIONS.—For purposes of this section:*

4 “(1) *SCHOOL OF PHARMACY.—the term ‘school of*
 5 *pharmacy’ means a college or school of pharmacy (as*
 6 *defined in section 799B) that, in providing clinical*
 7 *experience for students, requires that the students*
 8 *serve in a clinical rotation in which pharmacist serv-*
 9 *ices (as defined in section 331(a)(3)(E)) are provided*
 10 *at or for—*

11 “(A) *a medical facility that serves a sub-*
 12 *stantial number of individuals who reside in or*
 13 *are members of a medically underserved commu-*
 14 *nity (as so defined);*

15 “(B) *an entity described in any of subpara-*
 16 *graphs (A) through (L) of section 340B(a)(4) (re-*
 17 *lating to the definition of covered entity);*

18 “(C) *a health care facility of the Depart-*
 19 *ment of Veterans Affairs or of any of the Armed*
 20 *Forces of the United States;*

21 “(D) *a health care facility of the Bureau of*
 22 *Prisons;*

23 “(E) *a health care facility operated by, or*
 24 *with funds received from, the Indian Health*
 25 *Service; or*

1 “(F) a disproportionate share hospital
2 under section 1923 of the Social Security Act.

3 “(2) *PHARMACIST SERVICES*.—The term ‘phar-
4 macist services’ includes drug therapy management
5 services furnished by a pharmacist, individually or
6 on behalf of a pharmacy provider, and such services
7 and supplies furnished incident to the pharmacist’s
8 drug therapy management services, that the phar-
9 macist is legally authorized to perform (in the State
10 in which the individual performs such services) in ac-
11 cordance with State law (or the State regulatory
12 mechanism provided for by State law).

13 “(i) *AUTHORIZATION OF APPROPRIATIONS*.—For the
14 purpose of carrying out this section, there are authorized
15 to be appropriated such sums as may be necessary for each
16 of the fiscal years 2003 through 2007.”.

Calendar No. 621

107TH CONGRESS
2D SESSION

S. 1806

A BILL

To amend the Public Health Service Act with respect to health professions programs regarding the practice of pharmacy.

SEPTEMBER 30, 2002

Reported with an amendment